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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF
AMERICA,

Plaintiff,

vs.

AMY HAY, PATRICIA HALL,
and MICHAEL STONE,

Defendants.

No. CV-11-5154-LRS

**COMPLAINT FOR
VIOLATIONS OF THE ANTI-
KICKBACK ACT AND THE
FALSE CLAIMS ACT
JURY TRIAL DEMANDED**

The United States of America, by and through Michael C. Ormsby, United States Attorney for the Eastern District of Washington, and Assistant United States Attorney Tyler H.L. Tornabene, hereby alleges, avers, and claims against the above named Defendants as follows:

I. INTRODUCTION

1.1 The UNITED STATES OF AMERICA (herein the UNITED STATES) alleges, as detailed below, that Amy Hay, Patricia Hall, and Michael Stone (herein collectively “the Defendants” where appropriate), formerly employees of Fluor Hanford,

1 Inc., (herein “Fluor”), a United States Department of Energy prime contractor, engaged
2 in, directly and indirectly, a kickback scheme primarily executed by the Defendants and
3 Shane Fast, owner of Fast Pipe and Supply Company, Inc., (herein “Fast Pipe”), a
4 subcontractor of Fluor. Specifically, as detailed below, the Defendants knowingly
5 accepted, collectively, thousands of dollars worth of kickbacks from Shane Fast, which
6 he provided to obtain and/or reward the Defendants for providing, collectively, nearly
7 \$1.5 million dollars of government money to Fast Pipe in the form of supply purchases
8 from Fast Pipe. This kickback scheme is referred to herein as “the Fast Pipe Kickback
9 Scheme.” The Fast Pipe Kickback Scheme violated the federal Anti-Kickback Act, 41
10 U.S.C. § 51 *et seq.*, and resulted in knowing submissions of false or fraudulent claims to
11 the United States Department of Energy, in violation of the federal False Claims Act, 31
12 U.S.C. §§ 3729-33.

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14 1.2 By participating in the Fast Pipe Kickback Scheme the Defendants violated
15 both the federal Anti-Kickback Act, 41 U.S.C. § 51 *et seq.*, and the federal False Claims
16 Act, 31 U.S.C. §§ 3729-33.

17 18 19 20 21 **II. JURISDICTION & VENUE**

22 2.1 The UNITED STATES re-alleges and incorporates by reference paragraphs
23 1.1 and 1.2 of this Complaint.

24 2.2 This civil action seeks the recovery of damages, civil penalties and
25 disgorgement of monies obtained by the Defendants as a result of violations of the
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1 federal Anti-Kickback Act, 41 U.S.C. § 51 *et seq.*, and the federal False Claims Act, 31
2 U.S.C. §§ 3729-33, and for other violations of the common law that support causes of
3 action for unjust enrichment and/or other legal and equitable remedies that are available
4 to this Court.

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6 2.3 This Court has subject matter jurisdiction over this action pursuant to
7 28 U.S.C. §§ 1331, 1345 and 31 U.S.C. § 3732(a).

8
9 2.4 Venue is proper in this district under 28 U.S.C. §§ 1391(b), (c), and 31
10 U.S.C. § 3732(a). At all times material hereto, it is believed that the Defendants were
11 located in and transacted business in the Eastern District of Washington.

12 **III. PARTIES**

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14 3.1 The UNITED STATES re-alleges and incorporates by reference paragraphs
15 1.1 through 2.4 of this Complaint.

16
17 3.2 The Plaintiff is the UNITED STATES, which brings this action on behalf of
18 the principal government agency victimized by the Defendants' conduct, the United
19 States Department of Energy (herein "DOE").

20
21 3.3 AMY HAY (herein "Defendant Hay") is believed to reside in or near
22 Kennewick, Washington, in the Eastern District of Washington. At times relevant to this
23 Complaint, Defendant Hay was an employee or agent of Fluor in the Eastern District of
24 Washington.
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1 4.5 A P-Card is a Visa credit card, issued by JP Morgan Chase Bank which is
2 used to purchase materials for certain prime contractors with DOE. Those DOE prime
3 contractors pay their respective P-Card bills electronically on a monthly basis.

4 4.6 At all times relevant, Fluor maintained its own accounts with JP Morgan
5 Chase Bank. Fluor paid its Material Coordinators' P-Card bills monthly utilizing a DOE
6 funded line of credit.
7

8 4.7 Fluor was required to provide DOE with true and accurate monthly cost
9 reports, for DOE's approval, showing its total P-Card draw downs of its DOE funded
10 line of credit.
11

12 4.8 In this manner, DOE ultimately paid the P-Card balances of Fluor,
13 including those portions of the P-Card balances consisting of purchases made by the
14 Defendants.
15

16 4.9 Fluor was required by its prime contract with DOE, as well as governing
17 statutes, rules, and regulations to purchase supplies via the P-Card system at the best
18 price (fair market value) for the government.
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20 4.10 Fluor was required by its prime contract with DOE, as well as governing
21 statutes, rules, and regulations to make purchases for the government that were not the
22 product of any kickback or fraud scheme.
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1 4.11 In making purchases and sales related to providing materials to Fluor for
2 use in the prime contract, the Defendants and other Fluor agents and employees, were
3 prohibited by federal law from engaging in or facilitating any kickback or fraud scheme.
4

5 **THE FAST PIPE KICKBACK SCHEME**

6 4.12 The UNITED STATES re-alleges and incorporates by reference paragraphs
7 1.1 through 4.11 of this Complaint.
8

9 4.13 Fast Pipe was owned and operated by Shane Fast during times relevant to
10 this Complaint.

11 4.14 Fast Pipe sold materials, primarily as a middle man, to Fluor, among other
12 DOE prime contractors, via Fluor's Material Coordinators using their P-Cards.
13

14 4.15 Between October of 2005 and October of 2008, the Defendants were
15 employed by Fluor as Material Coordinators.
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17 4.16 Between October of 2005 and October of 2008, Fast Pipe, Shane Fast, other
18 agents of Fast Pipe, the Defendants, and other Fluor Material Coordinators, engaged in a
19 scheme whereby Fast Pipe and Shane Fast gave tens of thousands of dollars worth of
20 items to the Defendants and other Fluor Material Coordinators in the form of, among
21 other things, tickets to attend Seattle Seahawk football games, Seattle Mariners baseball
22 games, and gift cards to various merchants.
23
24

25 4.17 Shane Fast would provide the kickbacks to the Fluor Material Coordinators,
26 including the Defendants, through a variety of means including sending them in
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1 unmarked packages to the recipients' home addresses via mail, providing them in
2 packages labeled only "Santa," as well as personally providing them directly to the Fluor
3 Material Coordinators.

4
5 4.18 In this manner, between October of 2005 and October of 2008, Shane Fast
6 and Fast Pipe provided at least \$40,000 in kickbacks spread between various Fluor
7 Material Coordinators, including the Defendants. During that same time period Fast
8 Pipe received a total of over \$3.9 million in P-Card purchases from the Fluor Material
9 Coordinators, including the Defendants, who received kickbacks from Fast Pipe and
10 Shane Fast.
11

12
13 4.19 The Defendants, along with all Material Coordinators employed by Fluor,
14 received a Business Ethics Memorandum (herein "Ethics Memo") prohibiting
15 employees from taking gratuities or kickbacks from suppliers or subcontractors.
16

17 4.20 The Ethics Memo provided "[e]mployees will neither provide consideration
18 (i.e., gifts, services, or money) to anyone, nor accept anything of more than nominal
19 value from anyone with whom the Company does business (e.g., suppliers, contractors,
20 clients, customers)."
21

22 4.21 The Ethics Memo defined "Nominal" to mean, among other things: ". . .
23 low dollar value (less than \$25). . . ."
24

25 4.22 Each of the items of value given by Fast Pipe and Shane Fast to the
26 Defendants and other Fluor Material Coordinators exceeded \$25.00 in value.
27

1 4.23 Each of the items of value given by Fast Pipe and Shane Fast to the
2 Defendants and other Fluor Material Coordinators was for the purpose of improperly
3 obtaining or rewarding favorable treatment in connection with the prime contract,
4 specifically obtaining or rewarding P-Card purchases from Fast Pipe by the Defendants.
5

6 4.24 Between October of 2005 and October of 2008, the Defendants, based on
7 the kickbacks given to them by Fast Pipe and Shane Fast, collectively purchased at least
8 \$1,456,423.55 worth of materials with their P-Cards from Fast Pipe.
9

10 4.25 During the same time period, October of 2005 to October of 2008, the
11 Defendants collectively accepted at least \$2,890.05 worth of kickbacks provided by
12 Shane Fast and Fast Pipe.
13

14 4.26 DOE ultimately paid for the entire amount of the Defendants' unlawful
15 purchases from Shane Fast and Fast Pipe.
16

17 4.27 In this manner Fast Pipe, Shane Fast and the Defendants committed
18 violations, including knowing violations, of the federal Anti-Kickback Act, 41 U.S.C. §
19 51 *et seq.*
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21 4.28 Had DOE known of the Fast Pipe kickback scheme it would not have
22 approved any portion of the associated monthly draw downs on the DOE funded line of
23 credit by Fluor.
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25 4.29 In this manner the Defendants also violated the federal False Claims Act, 31
26 U.S.C. §§ 3729-33.
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KICKBACKS AND FALSE CLAIMS BY AMY HAY

4.30 The UNITED STATES re-alleges and incorporates by reference paragraphs 1.1 through 4.29 of this Complaint.

4.31 Defendant Hay's job as a Material Coordinator for Fluor was to purchase materials for Fluor from various suppliers, upon request by employees or agents of Fluor for use in performing the prime contract.

4.32 As a Material Coordinator, Defendant Hay used a P-Card to buy materials for Fluor which were ultimately paid for by the UNITED STATES through DOE.

4.33 On information and belief, as a Material Coordinator Defendant Hay received the Ethics Memo prohibiting the acceptance of kickbacks or gratuities valued at over \$25 and was otherwise aware that accepting kickbacks from suppliers or subcontractors was prohibited.

4.34 Nonetheless, at times relevant to this Complaint Defendant Hay accepted kickbacks from Fast Pipe and Shane Fast worth, collectively and individually, more than \$25.

4.35 On information and belief, Defendant Hay's relationship with Shane Fast while she was accepting kickbacks was solely professional and primarily related to her employment as a Material Coordinator for Fluor.

4.36 Defendant Hay did not reimburse Shane Fast or Fast Pipe for any of the kickbacks she accepted during times relevant to this Complaint.

1 4.37 By way of example, in approximately November of 2006, Defendant Hay
2 accepted at least one kickback with an approximate value of \$705.30. The kickback or
3 kickbacks were categorized as “Advertising” in the Fast Pipe Quickbooks account
4 maintained by Shane Fast (herein “Fast’s Quickbooks”) and attributed to “Amy @
5 Fluor.”
6

7 4.38 By way of further example, in approximately December of 2006, Defendant
8 Hay received a gift card to Macy’s from Shane Fast and Fast Pipe with, on information
9 and belief, an approximate value of at least \$100. The kickback was listed as an office
10 expense in Fast’s Quickbooks for \$400 paid to “Macy’s and attributed to
11 “Amy/Alishia/Patty.”
12
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14 4.39 By way of further example, during 2007 Defendant Hay accepted at least
15 four tickets, provided by Shane Fast and Fast Pipe, to Seattle Mariners Major League
16 Baseball (“MLB”) games on at least one occasion.
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18 4.40 At times relevant to this Complaint two tickets to a Seattle Mariners MLB
19 game had a value of at least \$30.
20

21 4.41 By way of further example, during 2007 Defendant Hay accepted at least
22 two tickets, provided by Shane Fast and Fast Pipe, to Seattle Seahawks NFL games on at
23 least two occasions, for a total of at least four tickets, and at least one parking pass for a
24 Seattle Seahawks NFL game.
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1 4.42 At times relevant to this Complaint a ticket to a Seattle Seahawks NFL
2 game had a value of at least \$40 and a parking pass for a Seattle Seahawks NFL game
3 had a value of at least \$30.

4 4.43 By way of further example, in approximately December of 2007 or January
5 of 2008, Defendant Hay received another gift card to Macy's from Shane Fast and Fast
6 Pipe with an approximate value of \$100.

7 4.44 By way of further example, in approximately January of 2008, Defendant
8 Hay received at least one more kickback in the form of tickets to Seattle Seahawks NFL
9 games. The kickback or kickbacks were listed in Fast's Quickbooks as "seahawks
10 tickets amy" and given a value of \$1,004.75.

11 4.45 Between October of 2005 and October of 2008 Defendant Hay received a
12 total of at least \$2,130.05 worth of kickbacks from Shane Fast and Fast Pipe.

13 4.46 Between October of 2005 and October of 2008, Defendant Hay made
14 purchases from Fast Pipe with her P-Card during every month for a total of 36 months
15 and approximately at least 740 purchased items.

16 4.47 Pursuant to P-Card procedures, Defendant Hay submitted an invoice to
17 Fluor at the end of every month totaling the purchases Defendant Hay made on the P-
18 Card for approval from DOE, which resulted in 36 monthly invoices submitted by Hay
19 reporting P-Card Purchases from Fast Pipe and Shane Fast.

1 4.48 The total dollar amount of the P-Card purchases Defendant Hay made from
2 Fast Pipe and Shane Fast during the 36 months included in this Complaint, which
3 included the time period when she knowingly accepted at least \$2,130.05 worth of
4 kickbacks from Shane Fast and Fast Pipe, totaled at least \$391,395.40.

5
6 4.49 These fraudulent purchases were included in false claims knowingly made
7 by Defendant Hay to Fluor and by Fluor to DOE, and in false records and statements
8 knowingly made and used by Defendant Hay, and Fluor, material to the payment of such
9 claims.
10

11 4.50 Defendant Hay, through her submission of her monthly P-Card invoices,
12 among other means, knowingly caused the submission of these false claims to DOE and
13 the making and using of false statements to DOE material to the payment of such claims.
14

15 4.51 Had DOE known that any portion of Defendant Hay's purchases from Fast
16 Pipe and Shane Fast were the product of the Fast Pipe Kickback Scheme it would not
17 have approved any portion of the associated monthly draw downs on the DOE funded
18 line of credit by Fluor.
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21 **KICKBACKS AND FALSE CLAIMS BY PATRICIA HALL**

22 4.52 The UNITED STATES re-alleges and incorporates by reference paragraphs
23 1.1 through 4.51 of this Complaint.
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1 4.53 Defendant Hall's job as a Material Coordinator for Fluor was to purchase
2 materials for Fluor from various suppliers, upon request by employees or agents of Fluor
3 for use in performing the prime contract.
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5 4.54 As a Material Coordinator Defendant Hall used a P-Card to buy materials
6 for Fluor which were ultimately paid for by the UNITED STATES through DOE.
7

8 4.55 On information and belief, as a Material Coordinator Defendant Hall
9 received the Ethics Memo prohibiting the acceptance of kickbacks or gratuities valued at
10 over \$25 and was otherwise aware that accepting kickbacks from suppliers or
11 subcontractors was prohibited.
12

13 4.56 Nonetheless, at times relevant to this Complaint Defendant Hall accepted
14 kickbacks from Fast Pipe and Shane Fast worth, collectively and individually, more than
15 \$25.
16

17 4.57 On information and belief, Defendant Hall's relationship with Shane Fast
18 while she was accepting kickbacks was solely professional and primarily related to her
19 employment as a Material Coordinator for Fluor.
20

21 4.58 Defendant Hall did not reimburse Shane Fast or Fast Pipe for any of the
22 kickbacks she accepted during times relevant to this Complaint.
23

24 4.59 By way of example, in approximately December of 2006, Defendant Hall
25 received a gift card to Macy's from Shane Fast and Fast Pipe with, on information and
26 belief, a value of approximately at least \$100. The kickback was listed as an office
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1 expense in Fast's Quickbooks for \$400 paid to Macy's and attributed to
2 "Amy/Alishia/Patty."

3 4.60 By way of further example, during 2007 Defendant Hall accepted at least
4 two tickets, provided by Shane Fast and Fast Pipe, to Seattle Seahawks National
5 Football League ("NFL") games on at least two separate occasions, for a total of at least
6 four tickets, and at least one parking pass.
7

8 4.61 At times relevant to this Complaint a ticket to a Seattle Seahawks NFL
9 game had a value of at least \$40 and a parking pass for a Seattle Seahawks NFL game
10 had a value of at least \$30.
11

12 4.62 By way of further example, in approximately December of 2007 or January
13 of 2008, Defendant Hall received another gift card to Macy's from Shane Fast and Fast
14 Pipe with an approximate value of \$100.
15

16 4.63 Between October of 2005 and October of 2008 Defendant Hall received a
17 total of at least \$390 worth of kickbacks from Shane Fast and Fast Pipe.
18

19 4.64 Between October of 2005 and October of 2008, Defendant Hall made
20 purchases from Fast Pipe with her P-Card during every month for a total of 36 months
21 and at least approximately 1,224 purchased items.
22

23 4.65 Pursuant to P-Card procedures, Defendant Hall submitted an invoice to
24 Fluor at the end of every month totaling the purchases Defendant Hall made on the P-
25

1 Card for approval from DOE, which resulted in 36 monthly invoices submitted by
2 Defendant Hall reporting P-Card Purchases from Fast Pipe and Shane Fast.

3 4.66 The total dollar amount of the P-Card purchases Defendant Hall made from
4 Fast Pipe and Shane Fast during the 36 months included in this Complaint, which
5 included the time period when she knowingly accepted at least \$390.00 worth of
6 kickbacks from Shane Fast and Fast Pipe, totaled at least \$642,495.75.
7

8 4.67 These fraudulent purchases were knowingly included in false claims made
9 by Defendant Hall to Fluor and by Fluor to DOE, and in false records and statements
10 knowingly made and used by Defendant Hall, and Fluor, material to the payment of such
11 claims.
12

13 4.68 Defendant Hall, through her submission of her monthly P-Card invoices,
14 among other means, knowingly caused the submission of these false claims to DOE and
15 the making and using of false statements to DOE material to the payment of such claims.
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17 4.69 Had DOE known that any portion of Defendant Hall's purchases from Fast
18 Pipe and Shane Fast were the product of the Fast Pipe Kickback Scheme it would not
19 have approved any portion of the associated monthly draw downs on the DOE funded
20 line of credit by Fluor.
21

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23 **KICKBACKS AND FALSE CLAIMS BY MICHAEL STONE**
24

25 4.70 The UNITED STATES re-alleges and incorporates by reference paragraphs
26 1.1 through 4.69 of this Complaint.
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1 4.71 Defendant Stone's job as a Material Coordinator for Fluor was to purchase
2 materials for Fluor from various suppliers, upon request by employees or agents of Fluor
3 for use in performing the prime contract.
4

5 4.72 As a Material Coordinator Defendant Stone used a P-Card to buy materials
6 for Fluor which were ultimately paid for by the UNITED STATES through DOE.
7

8 4.73 On information and belief, as a Material Coordinator Defendant Stone
9 received the Ethics Memo prohibiting the acceptance of kickbacks or gratuities valued at
10 over \$25 and was otherwise aware that accepting kickbacks from suppliers or
11 subcontractors was prohibited.
12

13 4.74 Nonetheless, at times relevant to this Complaint Defendant Stone accepted
14 kickbacks from Fast Pipe and Shane Fast worth, collectively and individually, more than
15 \$25.
16

17 4.75 On information and belief, Defendant Stone's relationship with Shane Fast
18 while he was accepting kickbacks was solely professional and primarily related to his
19 employment as a Material Coordinator for Fluor.
20

21 4.76 Defendant Stone did not reimburse Shane Fast or Fast Pipe for any of the
22 kickbacks he accepted and kept during times relevant to this Complaint.
23

24 4.77 By way of example, in approximately August of 2005, Defendant Stone
25 accepted at least two tickets, provided by Shane Fast and Fast Pipe, to Seattle Seahawks
26 NFL games on at least one occasion.
27

1 4.78 At times relevant to this Complaint a ticket to a Seattle Seahawks NFL
2 game had a value of at least \$40.

3 4.79 By way of further example, in approximately May 2006 Defendant Stone
4 accepted at least two tickets, provided by Shane Fast and Fast Pipe, to Seattle Mariners
5 MLB games on at least one occasion.
6

7 4.80 At times relevant to this Complaint two tickets to a Seattle Mariners MLB
8 game had a value of at least \$30.
9

10 4.81 By way of further example, in approximately August of 2006, Defendant
11 Stone accepted at least two tickets, provided by Shane Fast and Fast Pipe, to Seattle
12 Seahawks NFL games on at least one occasion.
13

14 4.82 By way of further example, in approximately December 2006 or early 2007
15 Defendant Stone received a gift card to Outback Steakhouse from Shane Fast and Fast
16 Pipe with, on information and belief, an approximate value of at least \$100. The
17 kickback was listed as an office expense in Fast's Quickbooks for \$500 paid to "Outback
18 Steak House" and attributed to "Ned/Tony/MikeS./Pat."
19

20 4.83 By way of further example, in approximately August of 2007, Defendant
21 Stone received at least two tickets, provided by Shane Fast and Fast Pipe, to Seattle
22 Seahawks NFL games on at least one occasion. On information and belief, Defendant
23 Stone received the two tickets in the mail and gave them both to a local radio station.
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1 4.84 Between October of 2005 and October of 2008 Defendant Stone received a
2 total of at least \$370 worth of kickbacks from Shane Fast and Fast Pipe.

3 4.85 Between October of 2005 and October of 2008, Defendant Stone made
4 purchases from Fast Pipe with his P-Card during every month, except one, for a total of
5 35 months and approximately at least 314 purchased items.
6

7 4.86 Pursuant to P-Card procedures, Defendant Stone submitted an invoice to
8 Fluor at the end of every month totaling the purchases Defendant Stone made on the P-
9 Card for approval from DOE, which resulted in 35 monthly invoices submitted by Stone
10 reporting P-Card Purchases from Fast Pipe and Shane Fast.
11

12 4.87 The total dollar amount of the P-Card purchases Defendant Stone made
13 from Fast Pipe and Shane Fast during the 36 months included in this Complaint, which
14 included the time period when he knowingly accepted at least \$370 worth of kickbacks
15 from Shane Fast and Fast Pipe, totaled at least \$422,532.40.
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18 4.88 These fraudulent purchases were included in false claims knowingly made
19 by Defendant Stone to Fluor and by Fluor to DOE, and in false records and statements
20 knowingly made and used by Defendant Stone, and Fluor, material to the payment of
21 such claims.
22

23 4.89 Defendant Stone, through his submission of his monthly P-Card invoices,
24 among other means, knowingly caused the submission of these false claims to DOE and
25 the making and using of false statements to DOE material to the payment of such claims.
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1 4.90 Had DOE known that any portion of Defendant Stone's purchases from
2 Fast Pipe and Shane Fast were the product of the Fast Pipe Kickback Scheme it would
3 not have approved any portion of the associated monthly draw downs on the DOE
4 funded line of credit by Fluor.
5

6 **CLAIMS FOR RELIEF**

7 **V. ANTI-KICKBACK ACT VIOLATION- KICKBACKS RELATED TO**
8 **THE FAST PIPE KICKBACK SCHEME**

9 5.1 The UNITED STATES re-alleges paragraphs 1.1- 4.90 of this Complaint.
10

11 5.2 By virtue of the above described acts, the Defendants, pursuant to the Fast
12 Pipe Kickback Scheme, knowingly solicited, accepted, or attempted to accept kickbacks
13 in violation of 41 U.S.C. § 53(2) and 41 U.S.C. § 55.
14

15 5.3 By virtue of the above described acts, the Defendants, pursuant to the Fast
16 Pipe Kickback Scheme, knowingly included, directly or indirectly, the amount of any
17 kickback prohibited by 41 U.S.C. §53(1) or 41 U.S.C. §53(2), in the contract price
18 charged by a subcontractor to a prime contractor or in the contract price charged by the
19 prime contractor to DOE in violation of 41 U.S.C. § 53(3) and 41 U.S.C. § 55.
20

21 **ANTI-KICKBACK ACT LIABILITY OF DEFENDANT AMY HAY**

22 5.4 The UNITED STATES re-alleges paragraphs 1.1- 5.3 of this Complaint.
23

24 5.5 By virtue of the above described acts, Defendant Hay is liable for a civil
25 penalty or penalties for the entire amount of the kickbacks she solicited, accepted,
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1 attempted to accept, or included, directly or indirectly, into the price charged by Fast
2 Pipe to Fluor or by Fluor to the UNITED STATES, pursuant to the Fast Pipe Kickback
3 Scheme, an amount of at least \$2,130.05 the actual amount (exclusive of interest and
4 costs) will be proven at the time of hearing and/or trial, pursuant to 41 U.S.C. § 55(a)(2).
5

6 5.6 By virtue of the above described acts Defendant Hay is liable for a civil
7 penalty or penalties in the amount of twice the amount of the kickbacks she solicited
8 accepted, attempted to accept, or included, directly or indirectly, into the price charged
9 by Fast Pipe to Fluor or by Fluor to the UNITED STATES, pursuant to the Fast Pipe
10 Kickback Scheme (a minimum of at least \$4,260.10 exclusive of interests and cost, the
11 actual amount to be proven at trial) and not more than \$10,000 for each occurrence of
12 prohibited conduct, pursuant to 41 U.S.C. §55(a)(1).
13
14

15 **ANTI-KICKBACK ACT LIABILITY OF DEFENDANT PATRICIA HALL**
16

17 5.7 The UNITED STATES re-alleges paragraphs 1.1- 5.6 of this Complaint.

18 5.8 By virtue of the above described acts, Defendant Hall is liable for a civil
19 penalty or penalties for the entire amount of the kickbacks she solicited, accepted,
20 attempted to accept, or included, directly or indirectly, into the price charged by Fast
21 Pipe to Fluor or by Fluor to the UNITED STATES, pursuant to the Fast Pipe Kickback
22 Scheme, an amount of at least \$390 the actual amount (exclusive of interest and costs)
23 will be proven at the time of hearing and/or trial, pursuant to 41 U.S.C. § 55(a)(2).
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1 5.9 By virtue of the above described acts Defendant Hall is liable for a civil
2 penalty or penalties in the amount of twice the amount of the kickbacks she solicited
3 accepted, attempted to accept, or included, directly or indirectly, into the price charged
4 by Fast Pipe to Fluor or by Fluor to the UNITED STATES, pursuant to the Fast Pipe
5 Kickback Scheme (a minimum of at least \$780 exclusive of interests and cost, the actual
6 amount to be proven at trial) and not more than \$10,000 for each occurrence of
7 prohibited conduct, pursuant to 41 U.S.C. §55(a)(1).
8
9

10 **ANTI-KICKBACK ACT LIABILITY OF DEFENDANT MICHAEL STONE**

11 5.10 The UNITED STATES re-alleges paragraphs 1.1- 5.9 of this Complaint.
12

13 5.11 By virtue of the above described acts, Defendant Stone is liable for a civil
14 penalty or penalties for the entire amount of the kickbacks he solicited, accepted,
15 attempted to accept, or included, directly or indirectly, into the price charged by Fast
16 Pipe to Fluor or by Fluor to the UNITED STATES, pursuant to the Fast Pipe Kickback
17 Scheme, an amount of at least \$370 the actual amount (exclusive of interest and costs)
18 will be proven at the time of hearing and/or trial, pursuant to 41 U.S.C. § 55(a)(2).
19
20

21 5.12 By virtue of the above described acts Defendant Stone is liable for a civil
22 penalty or penalties in the amount of twice the amount of the kickbacks he solicited
23 accepted, attempted to accept, or included, directly or indirectly, into the price charged
24 by Fast Pipe to Fluor or by Fluor to the UNITED STATES, pursuant to the Fast Pipe
25 Kickback Scheme (a minimum of at least \$740 exclusive of interests and cost, the actual
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1 amount to be proven at trial) and not more than \$10,000 for each occurrence of
2 prohibited conduct, pursuant to 41 U.S.C. §55(a)(1).

3 **VI. FALSE CLAIMS ACT- FALSE CLAIMS RELATED TO THE**
4 **FAST PIPE KICKBACK SCHEME**

5 6.1 The United States re-alleges and incorporates by reference paragraphs 1.1
6 through 5.12 of this Complaint.
7

8 6.2 By virtue of the above described acts, from approximately October of 2005
9 to October of 2008, the Defendants, pursuant to the Fast Pipe Kickback Scheme,
10 knowingly presented or caused others to present, to an officer, employee or agent of the
11 United States, false or fraudulent claims and false records and statements to obtain
12 payment or approval in violation of the federal False Claims Act, 31 U.S.C. §§ 3729-
13 3733.
14
15

16 6.3 By virtue of the above described acts, the Defendants had actual knowledge
17 that, as a result of the Fast Pipe Kickback Scheme, the information in Fluor's respective
18 claims to DOE for re-imbursement or approval of P-Card purchases was false.
19

20 Alternatively, the Defendants acted in deliberate ignorance of the truth or falsity of the
21 P-Card claim information related to the Fast Pipe Kickback Scheme and/or acted in
22 reckless disregard of the truth or falsity of those claims that were submitted to DOE
23 and/or conspired with others to defraud the UNITED STATES by getting false or
24 fraudulent claims allowed or paid.
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1 6.4 The UNITED STATES paid the false or fraudulent claims due to the
2 unlawful and false acts of the Defendants related to the Fast Pipe Kickback Scheme and,
3 as a result, the UNITED STATES currently believes it has incurred actual damages in
4 the amount of at least \$1,456,423.55 the actual amount (exclusive of interest and costs)
5 will be proven at the time of hearing and/or trial.

6
7 6.5 The Defendants committed these unlawful acts individually, jointly, and/or
8 in conspiracy with other participants in the Fast Pipe Kickback Scheme.
9

10 **FALSE CLAIMS ACT LIABILITY OF DEFENDANT AMY HAY**

11 6.6 The United States re-alleges and incorporates by reference paragraphs 1.1
12 through 6.5 of this Complaint.
13

14 6.7 Pursuant to the False Claims Act, including 31 U.S.C. § 3729, as adjusted
15 by 28 CFR 85.3(a)(9), Defendant Hay is liable to the United States for the principal
16 amount paid as a result of the false claims (at least \$391,395.40), for a civil penalty of
17 treble damages on the false claims (at least \$1,174,186.62) and for an additional civil
18 penalty of not less than \$5,500 and not more than \$11,000, for each of the false or
19 fraudulent certifications or claims submitted or caused to be submitted by Defendant
20 Hay.
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22

23 **FALSE CLAIMS ACT LIABILITY OF DEFENDANT PATRICIA HALL**

24 6.8 The United States re-alleges and incorporates by reference paragraphs 1.1
25 through 6.7 of this Complaint.
26
27

1 6.9 Pursuant to the False Claims Act, including 31 U.S.C. § 3729, as adjusted
2 by 28 CFR 85.3(a)(9), Defendant Hall is liable to the United States for the principal
3 amount paid as a result of the false claims (at least \$642,495.75), for a civil penalty of
4 treble damages on the false claims (at least \$1,927,487.25) and for an additional civil
5 penalty of not less than \$5,500 and not more than \$11,000, for each of the false or
6 fraudulent certifications or claims submitted or caused to be submitted by Defendant
7 Hall.
8
9

10 **FALSE CLAIMS ACT LIABILITY OF DEFENDANT MICHAEL STONE**

11 6.10 The United States re-alleges and incorporates by reference paragraphs 1.1
12 through 6.9 of this Complaint.
13

14 6.11 Pursuant to the False Claims Act, including 31 U.S.C. § 3729, as adjusted
15 by 28 CFR 85.3(a)(9), Defendant Stone is liable to the United States for the principal
16 amount paid as a result of the false claims (at least \$422,532.40), for a civil penalty of
17 treble damages on the false claims (at least \$1,267,597.20) and for an additional civil
18 penalty of not less than \$5,500 and not more than \$11,000, for each of the false or
19 fraudulent certifications or claims submitted or caused to be submitted by Defendant
20 Stone.
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23 **PRAYER FOR RELIEF**

24 WHEREFORE, the UNITED STATES prays for judgment and the following
25 relief against the Defendants:
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AS TO DEFENDANT AMY HAY:

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2 1. Judgment against Defendant Hay for a civil penalty in the minimum amount
3 of \$2,130.05 (the minimum amount of the kickbacks included, directly or indirectly, in
4 the price charged, solicited, attempted to accept, or accepted by Defendant Hay pursuant
5 to the Fast Pipe Kickback Scheme), or for such amount that will be proven at hearing
6 and/or time of trial, for his liability under 41 U.S.C. § 55(a)(2);
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8
9 2. Judgment against Defendant Hay for a civil penalty in the additional
10 minimum amount of \$4,260.10 (twice the amount of the kickbacks included, directly or
11 indirectly, in the price charged, solicited, attempted to accept, or accepted by Defendant
12 Hay pursuant to the Fast Pipe Kickback Scheme), plus an additional \$10,000.00 for each
13 occurrence of Defendant Hay's prohibited conduct pursuant to the Fast Pipe Kickback
14 Scheme or for such amount that will be proven at hearing and/or time of trial, for his
15 liability under 41 U.S.C. §55(a)(1);
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18 3. Judgment against Defendant Hay in the additional minimum amount of
19 \$391,395.40 for false claims to DOE related to the Fast Pipe Kickback Scheme, or for
20 such amount that will be proven at hearing and/or time of trial, for her violation of the
21 federal False Claims Act, 31 U.S.C. §§ 3729-3733;
22

23 4. For treble damages against Defendant Hay in the additional minimum
24 amount of \$1,174,186.20 (three times the minimum amount of damages of \$391,395.40
25 related to the Fast Pipe Kickback Scheme) or for such treble damages based on the
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1 actual damages proven at hearing and/or trial, for her violation of the federal False
2 Claims Act, 31 U.S.C. §§ 3729-3733;

3 5. For an additional civil penalties of not less than \$5,500 and not more than
4 \$11,000, for Defendant Hay's false or fraudulent certifications or claims submitted or
5 caused to be submitted related to the Fast Pipe Kickback Scheme, pursuant to the federal
6 False Claims Act, 31 U.S.C. §§ 3729-3733;

7 AS TO DEFENDANT PATRICIA HALL:
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9
10 6. Judgment against Defendant Hall for a civil penalty in the minimum
11 amount of \$390 (the minimum amount of the kickbacks included, directly or indirectly,
12 in the price charged, solicited, attempted to accept, or accepted by Hall pursuant to the
13 Fast Pipe Kickback Scheme), or for such amount that will be proven at hearing and/or
14 time of trial, for his liability under 41 U.S.C. § 55(a)(2);
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17 7. Judgment against Defendant Hall for a civil penalty in the additional
18 minimum amount of \$780 (twice the amount of the kickbacks included, directly or
19 indirectly, in the price charged, solicited, attempted to accept, or accepted by Defendant
20 Hall pursuant to the Fast Pipe Kickback Scheme), plus an additional \$10,000.00 for each
21 occurrence of Defendant Hall's prohibited conduct pursuant to the Fast Pipe Kickback
22 Scheme or for such amount that will be proven at hearing and/or time of trial, for his
23 liability under 41 U.S.C. §55(a)(1);
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1 8. Judgment against Defendant Hall in the additional minimum amount of
2 \$642,495.75 for false claims to DOE related to the Fast Pipe Kickback Scheme, or for
3 such amount that will be proven at hearing and/or time of trial, for her violation of the
4 federal False Claims Act, 31 U.S.C. §§ 3729-3733;

5
6 9. For treble damages against Defendant Hall in the additional minimum
7 amount of \$1,927,487.25 (three times the minimum amount of damages of \$642,495.75
8 related to the Fast Pipe Kickback Scheme) or for such treble damages based on the
9 actual damages proven at hearing and/or trial, for her violation of the federal False
10 Claims Act, 31 U.S.C. §§ 3729-3733;

11
12 10. For additional civil penalties of not less than \$5,500 and not more than
13 \$11,000, for Defendant Hall's false or fraudulent certifications or claims submitted or
14 caused to be submitted related to the Fast Pipe Kickback Scheme, pursuant to the federal
15 False Claims Act, 31 U.S.C. §§ 3729-3733;

16
17
18 AS TO DEFENDANT MICHAEL STONE:

19 11. Judgment against Defendant Stone for a civil penalty in the minimum
20 amount of \$370 (the minimum amount of the kickbacks included, directly or indirectly,
21 in the price charged, solicited, attempted to accept, or accepted by Defendant Stone
22 pursuant to the Fast Pipe Kickback Scheme), or for such amount that will be proven at
23 hearing and/or time of trial, for his liability under 41 U.S.C. § 55(a)(2);
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1 12. Judgment against Defendant Stone for a civil penalty in the additional
2 minimum amount of \$740 (twice the amount of the kickbacks included, directly or
3 indirectly, in the price charged, solicited, attempted to accept, or accepted by Defendant
4 Stone pursuant to the Fast Pipe Kickback Scheme), plus an additional \$10,000.00 for
5 each occurrence of Defendant Stone's prohibited conduct pursuant to the Fast Pipe
6 Kickback Scheme or for such amount that will be proven at hearing and/or time of trial,
7 for his liability under 41 U.S.C. §55(a)(1);
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9

10 13. Judgment against Defendant Stone in the additional minimum amount of
11 \$422,532.40 for false claims to DOE related to the Fast Pipe Kickback Scheme, or for
12 such amount that will be proven at hearing and/or time of trial, for his violation of the
13 federal False Claims Act, 31 U.S.C. §§ 3729-3733;
14

15 14. For treble damages against Defendant Stone in the additional minimum
16 amount of \$1,267,597.20 (three times the minimum amount of damages of \$422,532.40
17 related to the Fast Pipe Kickback Scheme) or for such treble damages based on the
18 actual damages proven at hearing and/or trial, for his violation of the federal False
19 Claims Act, 31 U.S.C. §§ 3729-3733;
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21

22 15. For an additional civil penalties of not less than \$5,500 and not more than
23 \$11,000, for Defendant Stone's false or fraudulent certifications or claims submitted or
24 caused to be submitted related to the Fast Pipe Kickback;
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AS TO ALL DEFENDANTS:

16. For pre and post-judgment interest on all damages;

17. For the UNITED STATES' investigation costs and fees, as well as the UNITED STATES' reasonable attorney's fees and other costs as allowed or otherwise recoverable under the court rules and/or any other applicable federal statute, code, or regulation; and for

18. Such other and further legal and for equitable relief that the Court deems just and equitable in the case.

RESPECTFULLY SUBMITTED this 31st day of October, 2011.

MICHAEL C. ORMSBY
U.S. Attorney Eastern District Of Washington

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